

COLLEGE SAVINGS

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CollegeSavingsMD.org

2011 Winter Newsletter

Put your tax refund to work as an easy way to save for college.

Starting this year, you can have your Maryland or federal tax refund – or both – deposited directly into a College Savings Plans of Maryland account. All you would have to do is go to **CollegeSavingsMD.org/directdeposit** and you will find a form for you to complete along with instructions on how to have your refund go directly into your account. Send it in to us, complete the instructions on your tax return(s) and we'll do the rest. While you're adding to your college savings, you may also qualify for a Maryland State income deduction that may reduce your Maryland taxable income in 2011.



Tune Into our Upcoming Webinars February 17, March 15, April 1, 2011

Please join us for an informational webinar hosted by the Executive Director of the College Savings Plans of Maryland, Joan Marshall. You'll learn about the College Savings Plans of Maryland as she reviews the specifics of both the Maryland Prepaid College Trust and the Maryland College Investment Plan, including the potential tax benefits of each. After the presentation, Joan will answer any questions you may have. Our webinars are scheduled as both daytime and evening sessions for your convenience. Just go to **CollegeSavingsMD.org/webinar** to register.

How does the Maryland College Investment Plan stack up to other plans?

“One of the reasons I was drawn to the MD College Investment Plan was the strong and professional management of the plan by T. Rowe Price. They exercise good stewardship of the Plan with their active management and conservative view of investing for college. Also, the ability to establish payroll deduction is a painless way to contribute to the Plan account.”

Peter Stanford
Annapolis, Maryland

The Maryland College Investment Plan, managed by T. Rowe Price, was recently given a “Top” rating by Morningstar, Inc. (10/25/10). This year, Morningstar looked beyond the investment options to provide a more comprehensive evaluation of 529 plans. The new rating system includes performance, price, confidence in the management team, stewardship practices, and underlying investment quality.

“The 529 plans receiving a ‘Top’ rating incorporate the industry’s best practices, including solid investment choices at a fair price,” said Laura Pavlenko Lutton, editorial director in Morningstar’s Fund Research Group and an author of the study.

Looking for a Unique Gift for Holidays or Birthdays? Consider the Gift of Education

The cost of higher education has been on the rise, and more families are relying on loans to pay for high college costs. Help reduce or even eliminate the reliance on future college loans by contributing a gift to an existing College Savings Plans of Maryland account, or consider opening an account of your own for an aspiring student. By opening your own account you may receive a Maryland income deduction of up to \$2,500 per year for each account or beneficiary, depending on which plan you choose. You can also contribute to an existing account for as little as \$25 a month from your bank account. Regardless of your gifting method, the account can grow tax-deferred, and any earnings will be tax-free as long as the funds are used for qualified education expenses. Plus, both plans can be used at nearly any accredited institution in the country. The College Investment Plan can also be used towards qualified expenses at trade schools and technical schools as well. What if college is a long way off for your aspiring student or you are unsure of what the future holds? Don't worry. You have a variety of options if he or she receives scholarships or doesn't attend college. For full details, including gift contribution slips and gift certificates, visit **CollegeSavingsMD.org/gifting** or call us at 888.4MD.GRAD (888.463.4723).

Maryland Prepaid College Trust Enrollment Period Open Now Through April 4, 2011!

The 2010-2011 Prepaid College Trust pricing, posted at **CollegeSavingsMD.org**, is available from December 1, 2010 until the enrollment deadline of April 4, 2011 for new enrollees, although initial payments are not due until August 1, 2011. The Trust offers tuition plans for as little as one semester at the university level or one year at the community college level (which can be applied towards universities). In addition, there is an assortment of different payment options to help make the plans affordable. Prices for the University Plans have nominally increased by about 3% over last year, due primarily to a similar tuition increase at most Maryland public 4-year colleges after four straight years of tuition freezes. Prices for the Community College Plans have increased approximately 5% over last year's pricing.

“ I highly recommend the Prepaid plan to everybody and anybody because of the historical rise in tuition. To me you need to start saving right away. I tell people I work with who are just starting families to lock in now with one of the low monthly payments. If tuition doesn't rise at historical rates at least you have the minimum benefit or if things in the market are unstable there is the extra assurance of the legislative guarantee. ”

Jon Martineau
Nottingham, Maryland

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Please carefully read the Enrollment Kit, available online, which describes the investment objectives, risks, expenses, and other important information that you should consider before you invest in the College Savings Plans of Maryland. Also, if you or your beneficiary live outside of Maryland, you should consider before investing whether your state or your beneficiary's state offers state tax or other benefits for investing in its 529 plan.

College Savings Plans of Maryland, Administrator and Issuer.

T. Rowe Price Associates, Inc., Program Manager and Investment Adviser, Maryland College Investment Plan.

T. Rowe Price Investment Services, Inc., Distributor/Underwriter, Maryland College Investment Plan.

**Legislative Guarantee - Maryland law provides that in the event that funds in the Prepaid College Trust are insufficient to pay full Benefits in any given year, the Governor is required to include an amount in the following year's State budget to fully pay Benefits. As with the entire State budget, the Maryland General Assembly determines the final amount of the appropriation.*